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## **NEWS RELEASE**

### **IRVINE WOMAN CHARGED WITH INSURANCE FRAUD**

***Allegedly made false statements about benefits, was overpaid more than \$93,000***

FRANKFORT, Ky. (Jan. 15, 2008) – An Irvine woman is facing six felony counts of insurance fraud after allegedly filing false statements related to her long-term disability benefits. The case was investigated by the Kentucky Office of Insurance Fraud Investigation Division.

Treva Caton, 60, began receiving disability benefits in 1984 following a workplace injury. The insurer, John Hancock Life Insurance Company, required a periodic update on her condition and disclosure if she ever received disability payments from another source.

According to court documents, Caton was awarded Social Security disability income (SSDI) benefits in 1997, retroactive to January 1996. In the periodic statements to John Hancock during 1997-2007, she failed to disclose the SSDI payments, which would have reduced the amount John Hancock was obligated to pay under the long-term disability policy. This resulted in an overpayment by the insurer of about \$93,000.

She was indicted in Estill Circuit Court on Jan. 4 and a warrant for her arrest was issued on Jan. 8.

If found guilty, Caton faces a maximum sentence of 20 years in prison and/or a fine of \$60,000.

Insurance fraud costs Americans at least \$80 billion each year, or nearly \$950 per family, according to the Coalition Against Insurance Fraud.

The Office of Insurance is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet.